

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



NEWS RELEASE

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Government Reform Committee

Approves Changes to Thrift Savings Plan

Legislation Eliminates 'Open Seasons,' Speeds Agency Contributions

D.C. Retirement Measure Among 9 Other Bills OK'd By Committee

WASHINGTON, D.C. – The House Government Reform Committee today approved by voice vote H.R. 4324, introduced by Chairman Tom Davis (R-VA) and Civil Service Subcommittee Chairwoman Jo Ann Davis (R-VA), which would eliminate “open seasons” in the Thrift Savings Plan (TSP), the federal government’s 401(k)-style retirement plan.

This important legislation provides participating employees with much-needed investment flexibility and simplifies the administrative process for enrollment and investment elections.

Under current law, newly hired employees have 60 days to sign up to participate in the TSP. Following this initial eligibility period, employees are only allowed to modify their contributions during the biannual open seasons - April 15th through June 30th and October 15th through December 31st. Additionally, employer contributions do not begin until the second open season following employment. This legislation would do away with both restrictions.

“Open seasons served the program well when it was begun in 1987 because it lacked the administrative capability to quickly enroll participants and implement investment elections on a real-time basis,” Chairman Davis said. “This is not the case today, as TSP now offers participants daily account transactions. This bill will bring the TSP more in line with private sector 401(k) plans and provide much needed updates to an important component of the federal retirement package.”

In addition to the TSP bill, the Committee approved the following bills:

- H.R. 4657, “The District of Columbia Retirement Protection Improvement Act of 2004,” which streamlines the administration of pension benefits for many D.C. retirees.
- H.R. 2449, a bill to establish a commission to commemorate the sesquicentennial of the American Civil War.
- H.R. 2528, a bill to establish the Hudson-Fulton-Champlain 400th Commemoration Commission.
- H.R. 4556, a bill to designate the facility of the United States Postal Service located at 1115 South Clinton Avenue in Dunn, North Carolina, as the “General William Carey Lee Post Office Building.”
- H.R. 4618, a bill to designate the facility of the United States Postal Service located at 10 West Prospect Street in Nanuet, New York, as the “Anthony I. Lombardi Memorial Post Office Building.”
- H.R. 4632, a bill to designate the facility of the United States Postal Service located at 19504 Linden Boulevard in St. Albans, New York, as the “Archie Spigner Post Office Building.”
- S. 2415, a bill to designate the facility of the United States Postal Service located at 4141 Postmark Drive, Anchorage, Alaska, as the “Robert J. Opinsky Post Office Building.”
- H. Res. 695, a resolution expressing the condolences of the House of Representatives on the passing of Mattie Stepanek, and honoring his life for his efforts to raise awareness of muscular dystrophy.
- H. Res. 717, a resolution honoring former President William Jefferson Clinton on the occasion of his 58th birthday.

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